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C O N F I D E N T I A L SECTION 01 OF 03 KYIV 002290

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SUBJECT: UKRAINE: OUR UKRAINE DISCOURAGED FROM THE TOP DOWN

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\_\_\_B. KYIV 001516
\_\_C. KYIV 002169

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Classified By: Ambassador for reasons 1.4(b,d).

- 11. (C) Summary. Conversations with Our Ukraine-People's Self-Defense (OU-PSD) Leader Yuriy Lutsenko, First Lady Kateryna Yushchenko, and members of the bloc's regional headquarters show a political movement struggling to keep pace with the more aggressive Tymoshenko Bloc. Lutsenko and Mrs. Yushchenko both blamed the decision to make one issue -eliminating parliamentary immunity -- for much of OU-PSD's troubles; an analysis many Ukrainian political observers share. Lutsenko also thought that the campaign was being overtaken by a focus on the 2009 presidential election, which was hurting the bloc's chances on September 30. He said that Tymoshenko was beginning to attack OU-PSD, despite his commitment with her to not fight dirty, and he worried that she would try to discredit OU shortly before voting day. Outside of Kyiv, many OU-PSD headquarters seem disorganized and a few seem demoralized as well. Some political analysts think Lutsenko might have done better on his own, although his presence may be helping OU. When asked about a coalition agreement with Yanukovych, Lutsenko predicted that it would lead to a rupture in OU-PSD. However, he said that if the Akhmteov wing of the party could agree to a technocratic government that did not include the current PM, he could support it -- a scenario he termed better, but unlikely.
- 12. (C) Comment. No one doubts that OU-PSD will get into the Rada, but how far it is behind Regions and BYuT may affect its bargaining power during coalition negotiations. Recent polls show the bloc down to 12-13 percent from a peak in the high teens. OU has always had problems with organization, in part because it lacks the strong leader and top-down control of BYuT and Regions, so it is no surprise that disorganization plagues them now. The disappointment with their efforts so far, however, and the pessimism from Lutsenko and Katya Yushchenko are new and indicate that internal disagreements over campaign strategy may be hurting the bloc. Having identified its internal problems -- a campaign message that's not selling, tension between Kyiv and the regions -- it will be up to OU to make a mid-course correction and get up to the higher ratings they enjoyed in July. End summary and comment.

Lutsenko, Mrs. Yushchenko Campaign Strategy Misguided

13. (C) Joking that after his latest round of stumping he had switched from tea to whiskey, Lutsenko told the Ambassador on September 10 that OU-PSD was facing an uphill battle.

Overall, Lutsenko thought that OU-PSD might get 17-18 percent of the vote. In contrast, he thought BYuT would get at least 25-30 percent, although he said Tymoshenko herself was confident she will win 226 seats alone. (Note: A sentiment not shared by any major pollster. End note.) Separately, Kateryna Yushchenko also expressed disappointment with the campaign thus far, telling the Ambassador on two occasions that she was not optimistic about OU's chances. In her view, OU was not well-organized, and she wished her husband got credit for more of the social issues that he (and she) had been associated with over the years.

14. (C) Lutsenko singled out the decision to make the elimination of parliamentary immunity the bloc's only major campaign issue as a bad mistake -- advice he blamed on American consultants. Mrs. Yushchenko told the Ambassador that she doubted the competence of the US political advisors who counseled sticking to that one message. Political analyst Volodymyr Fesenko on September 11 said the one-issue campaign had backfired on OU-PSD -- its ratings had crashed in the past month from 15-16 percent down to 12 percent. Head of the Cherkasy branch of Committee of Voters of Ukraine thought that OU-PSD's campaign against immunity for parliamentary deputies was a good idea, but that there had not been enough time to make this a key issue for people. Political analyst Vadym Karasyov thought OU still had a chance to build back up some of its popularity if it worked hard. (Note. Many Ukrainians tell us that they support the issue, but that they do not feel passionately about it -parliamentary immunity is a Kyiv-centric elite issue. And now that PM Yanukovych and Regions have signed on in support, OU is pushing for an issue on which all agree. End note.)

Lutsenko Evaluates Campaign Thus Far

 $\P5.$  (C) Lutsenko also said he was not in charge of the KYIV 00002290 002.2 OF 003

campaign's direction, not even Baloha was fully in charge anymore. Deputy Chief of the Presidential Administration Ivan Vasyunyk had been tapped to start planning Yushchenko's 2009 reelection campaign and his decisions were having negative effects on the OU-PSD Rada campaign. He also said that some of the presidentially-appointed governors in the South and East were now working for all sides, which was hurting OU-PSD.

- 16. (C) Lutsenko said OU-PSD had decided not to campaign in the heart of Regions' territory -- Donetsk, Luhansk, and Crimea. They are counting on low voter turnout to help them, and showing up in Region's strongholds might anger people and mobilize them to come vote against OU. Better to let sleeping dogs lie. Instead, they would cover the territory around Donbas -- Kharkiv, Dnipropetrovsk, Mykolayiv, Kherson -- and try to mobilize support there.
- 17. (C) Tymoshenko was becoming a major problem for OU-PSD, Lutsenko added. He accused her of using black PR to tarnish OU-PSD's image, playing up the possibility of a broad coalition agreement between Yushchenko and Yanukovych, even though Lutsenko stated at every campaign stop that that would not happen. He was opposed to black PR, so he would not let his bloc retaliate; as a result, they were suffering damage. He also believed that Tymoshenko was planning to set OU up -she was attending meetings with Baloha and Kolesnikov to talk about the broad coalition, although she had no intention of participating. Lutsenko thought that she would eventually secure a written statement that documented the Baloha-Kolesnikov negotiations, that she would make public the week before the election in hopes of taking half of OU-PSD's votes. She was also giving a lot of unofficial money to television stations to secure good coverage.
- 18. (C) Lutsenko commented that he does not expect mass fraud, although there might be some attempt to increase the number

of votes cast. Our task, he said, is to make sure the number of votes counted in the East accurately reflects number of people who voted.

## Campaign Outside of Kyiv Uneven

- 19. (C) Poloffs have been visiting OU-PSD regional headquarters across Ukraine, and these offices seemed to be disorganized or unmotivated. In Odesa, OU-PSD leaders complained that the Presidential Secretariat was managing the whole campaign from Kyiv, marginalizing party activists on the ground (ref A). They also mentioned they had been given specific voting targets, a claim we have heard about Dnipropetrovsk as well. Earlier in the summer, OU had almost no presence in Dnipropetrovsk, and most people we talked to there did not take the bloc seriously (ref B). Head of the Zhytomyr OU-PSD campaign said that OU preparations for the elections were progressing, but the tomb-like atmosphere of their headquarters lacked a sense of urgency and organization (ref C). The CVU representative there said that OU has been complacent at the local level and had trouble mobilizing its parties, but hoped to capitalize on Pavlenko's popularity. The Kirovohrad OU-PSD headquarters was also disorganized —when DCM and Poloff showed up for a September 10 meeting, representatives of the party were nowhere to be found.
- 110. (C) In Odesa, the OU rep predicted that OU will lose by a significant margin. He said that the poor results and restrictions placed on party members and staff will be the death of OU. The OU reps in Dnipropetrovsk acknowledged that they weren't much of a factor—that Tymoshenko was the only serious challenge to Regions. Cherkasy and Dnipropetrovsk said the party would play up ties to Yushchenko, who they believed had seen a bump in his ratings since the spring. Kirovohrad party workers said they were receiving material help from Kyiv, which was useful, but that the strategies being sent from the capital had to be reworked to fit oblast interests.
- 111. (C) In contrast, OU's Kharkiv headquarters was active and bustling, although their activists admitted that they were low in funds. Poloffs noticed that there were few OU billboards and signs up around the city, as opposed to the large numbers for Regions and BYuT. In contrast, Econoff reported that OU-PSD had far more billboards than anyone else in Regions-dominated Luhansk.

Lutsenko Factor: Good for OU, Not So Good for Lutsenko

112. (C) Contacts around the country questioned whether the OU-PSD alliance was working. Cherkasy and Zhytomyr CVU representatives said they believed Lutsenko would have gotten

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more votes without OU, especially in the east. Rada candidates Mykola Katerynchuk and Oles Doniy, both high on PSD's list, have expressed dissatisfaction to us with their current bloc. Doniy told a roundtable of European diplomats on September 11 that Lytvyn's chances of getting into the Rada increased when PSD joined OU. Previously, Lutsenko was well positioned as the alternative to both Regions and OU/BYuT -- now Lytvyn had that spot.

Lutsenko on Coalitions: No to Yanukovych, Maybe to Regions

113. (C) Lutsenko also covered coalition variants with the Ambassador. He said he could never be in a broad coalition with Yanukovych's Regions -- after all his public statements against it, to do so would make him a liar and end his political ambitions. (Note. On the other hand, Lutsenko is personally loyal to Yushchenko and if asked to support, or at least not to oppose a broad coalition, it is possible that he would do what the President asked. End note.) According to

Lutsenko, Tymoshenko as PM would be aggressive and dangerous, but she might flounder trying to fulfill all the ludicrous campaign promise she was making and undermine her own presidential campaign. Better that than a Yushchenko-Yanukovych alliance that would bring the President's political career to an end and hand Tymoshenko an easy 60 percent of the presidential vote in 2009. If a broad coalition did happen, Lutsenko said that he would take his PSD MPs and, he suspected, more than 20 OU MPs, and form a new group in the Rada. This new group could not formally be an independent faction, but it could vote with the opposition.

114. (C) He had a more hopeful scenario, but he termed it unlikely and fantastic. If Akhmetov and Kolesnikov could really gain control over Regions and agree to a technocrat as the next PM in place of Yanukovych, then he and his people would stay in the OU faction. Such a move might splinter Regions, but that was not a requirement for him, as long as Yanukovych, Azarov, and Klyuyev were no longer in the Cabinet. Lutsenko said Yushchenko and Baloha were still open to all variants. He said he had trouble thinking who such a neutral compromise figure might be, naming Lytvyn as a possibility. (Note. We've also heard Foreign Minister Yatsenyuk and Defense Minister Hrytsenko as other possible "technocratic PMs" who might be acceptable to both Regions and OU. End Note.) He added that Kolesnikov and Baloha were meeting daily, so all options are still on the table.

115. (U) Visit Embassy Kyiv's classified website: www.state.sgov.gov/p/eur/kiev.
Taylor